

AMENDED IN ASSEMBLY APRIL 13, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1663

Introduced by Assembly Member Jones
(Coauthor: Senator Ortiz)

February 22, 2005

An act to amend Section 8169.6 of the Government Code, relating to state building construction.

LEGISLATIVE COUNSEL'S DIGEST

AB 1663, as amended, Jones. Capitol Area Plan: construction of facilities.

Existing law authorizes the Director of General Services to purchase, exchange, or otherwise acquire real property and construct facilities, including any improvements, betterments, and related facilities, within the jurisdiction of the Capitol Area Plan in the City of Sacramento, with the total authorized scope consisting of approximately 1,400,000 gross square feet of office space on specified parcels of state-owned land, subject to specified criteria.

This bill would additionally ~~require that~~ authorize the project ~~also to include an unspecified number of gross square feet of residential development and additional commercial and residential space.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to identify innovative methods of financing the
- 3 various components of the West End Project within the Capitol

1 Area Plan, as described in Section 8169.6 of the Government
2 Code.

3 SEC. 2. Section 8169.6 of the Government Code is amended
4 to read:

5 8169.6. (a) In furtherance of the Capitol Area Plan, the
6 objectives of Resolution Chapter 131 of the Statutes of 1991, and
7 the legislative findings and declarations contained in Chapter 193
8 of the Statutes of 1996, relative to the findings by the Urban
9 Land Institute, the director may purchase, exchange, or otherwise
10 acquire real property and construct facilities, including any
11 improvements, betterments, and related facilities, within the
12 jurisdiction of the Capitol Area Plan in the City of Sacramento
13 pursuant to this section. The total authorized scope of the project
14 shall consist of approximately 1,400,000 gross square feet of
15 office space on state-owned land in the Capitol area in downtown
16 Sacramento on Block 204 (bounded by 7th, 8th, O, and P Streets)
17 or Block 203 (bounded by 7th, 8th, N, and O Streets), or both of
18 those blocks. The project will include associated parking onsite
19 and in a parking garage to be constructed on Block 266 (bounded
20 by 8th, 9th, Q, and R Streets). In addition, the project ~~shall also~~
21 ~~include no less than _____ gross square feet of commercial space~~
22 ~~and no less than _____ gross square feet of residential space. The~~
23 ~~may include residential development and additional commercial~~
24 ~~space. The~~ project cost shall include the cost of rehabilitation of
25 the Heilbron House currently located on Block 204, and the
26 project cost may include the cost of relocation of the Heilbron
27 House.

28 (b) (1) The department may contract for the lease,
29 lease-purchase, lease with an option to purchase, acquisition,
30 design, design-build, construction, deconstruction, construction
31 management, and other services related to the design and
32 construction of the office and parking facilities. If the director
33 selects design-build as the method of delivery, the department
34 shall use the method of design-build authorized by clause (i) of
35 subparagraph (A) of paragraph (3) of subdivision (d) of Section
36 14661. The State Public Works Board may issue revenue bonds,
37 negotiable notes, or negotiable bond anticipation notes pursuant
38 to the State Building Construction Act of 1955 (Part 10b
39 (commencing with Section 15800) of Division 3) to finance all
40 costs associated with the acquisition, design, and construction of

1 office and parking facilities for the purposes of this section. The
2 State Public Works Board and the department may borrow funds
3 for project costs from the Pooled Money Investment Account
4 pursuant to Sections 16312 and 16313. In the event the bonds
5 authorized by the project are not sold, the Department of General
6 Services shall commit a sufficient amount of its support budget
7 to repay any outstanding loans. It is the intent of the Legislature
8 that this commitment shall be included in future Budget Acts
9 until all outstanding loans are repaid either through the proceeds
10 from the sale of bonds or from an appropriation.

11 (2) The amount of revenue bonds, negotiable notes, or
12 negotiable bond anticipation notes to be sold may equal, but shall
13 not exceed, the cost of land, planning, preliminary plans, working
14 drawings or concept drawings, performance criteria,
15 construction, deconstruction, furnishings, equipment,
16 construction management and supervision, other costs relating to
17 the design and construction of the facilities, exercising any
18 purchase option, and any additional sums necessary to pay
19 interim and permanent financing costs. The additional amount
20 may include interest and the establishment of a reasonable
21 construction reserve fund to ensure that the funds are available in
22 the event future augmentations are needed to complete the
23 facilities authorized by this section. If the construction reserve
24 funds are not needed to complete construction, they shall be used
25 to repay the future debt payments.

26 (3) Authorized costs of the facilities for planning, concept
27 drawings or preliminary plans, working drawings, demolition,
28 construction, and other costs shall not exceed three hundred
29 ninety-one million dollars (\$391,000,000). Notwithstanding
30 Section 13332.11, the State Public Works Board may authorize
31 the augmentation of the amount authorized under this paragraph
32 by up to 10 percent of the amount authorized.

33 (4) The net present value of the cost to acquire and operate the
34 facilities authorized by subdivision (a) may not exceed the net
35 present value of the cost to lease and operate an equivalent
36 amount of comparable consolidated office space over the same
37 time period. The department shall perform this analysis and shall
38 obtain interest rates, discount rates, and Consumer Price Index
39 figures from the Treasurer. For purposes of this analysis, the
40 department shall compare the cost of acquiring and operating the

1 proposed facilities with the amount saved from not having to pay
2 the cost of leasing and operating an equivalent amount of
3 comparable consolidated office space that would no longer need
4 to be leased.

5 (5) The department is authorized and directed to execute and
6 deliver any and all leases, contracts, agreements, or other
7 documents necessary or advisable to consummate the sale of
8 bonds or otherwise effectuate the financing of the project
9 described in this section.

10 (6) The State Public Works Board shall not itself be deemed a
11 lead or responsible agency for purposes of the California
12 Environmental Quality Act (Division 13 (commencing with
13 Section 21000) of the Public Resources Code) for any activities
14 under the State Building Construction Act of 1955 (Part 10b
15 (commencing with Section 15800) of Division 3). This paragraph
16 does not exempt the department from the requirements of the
17 California Environmental Quality Act. This paragraph is
18 declarative of existing law.